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Indonesia

Biotechnology

Agricultural Biotechnology Report

2006

Approved by:
Fred Kessel
U.S. Embassy, Jakarta

Prepared by:
Fred Kessel/Titi S. Rahayu

Report Highlights:
Section Updated:
- Biotech Production
- Biotech Policy
- Capacity Building and Outreach

Includes PSD Changes: No
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I. Executive Summary

Advances in Indonesian approval, use or regulation of transgenic products are not a high priority for the GOI. Indicators include ratification of the Cartagena Protocol in October 2004, with little progress toward promulgation of implementing regulation; approval on the environmental side for planting of Bt cotton, but none for food safety; issuance of food labeling requirements, but no enforcement. Although the Government issued a regulation for Biosafety of Transgenic Products (No. 21/2005), the regulatory framework for transgenic crops and food products remains haphazard, non-transparent, and a relatively low priority for the GOI. There is no compelling evidence that this situation will change in the intermediate term.

The U.S. exported something on the order of $600 million of transgenic products to Indonesia in 2005. Among these are Bt cotton, herbicide tolerant soybeans and meal, Bt corn and a variety of food products derived from transgenic crops. With the exception of certain soybean products, i.e., soy flour, no trade constraint based on transgenic origin has been introduced or enforced.

II. Biotechnology Trade and Production

Indonesia does not produce any crops that involve transgenic processes, but does produce some using tissue culture techniques. These are tree seedlings (eucalyptus, acacia, mangrove) designed for domestic reforestation and certain flower species for export, primarily to the EU. The details are proprietary, as only one company is currently known to be undertaking this business. It is unlikely that Indonesia will be able to multiply transgenic seed or commercialize any transgenic crop in the coming year.

The government of Indonesia is developing some transgenic commodities, such as: rice, cane, and cassava. Currently rice and cane are still at the field test stage. However according to Government Regulation on Biosafety of Transgenic Products, it's still a long way to go before transgenic rice can be commercialized. Transgenic rice has to be tested in 22 locations throughout Indonesia and also needs approval from National Seed Agency before it can be licensed.

Additional GOI research projects on transgenic plants such as: virus resistance for tomatoes and potatoes, delayed ripening for papaya, sweet potato pest resistance, drought tolerant rice, and pest resistance soybeans, are still ongoing, albeit at a relatively modest pace.

The U.S. exported something on the order of $600 million of transgenic products to Indonesia in 2005. Among these are Bt cotton, herbicide tolerant soybeans and meal, Bt corn and a variety of food products derived from transgenic crops. Significant volumes of presumptive transgenic soybeans and meal were also imported from other origins. With the exception of certain soybean products, i.e., soy flour, no trade constraint based on transgenic origin has been introduced or enforced. The barriers for soy flour do not seem to be a major to constraint to current trade.

Indonesia is at times a recipient of food aid, the most recent instance being food aid for survivors of the December 2004 earthquake and tsunami. In that case, USDA provided 10,000 metric tons of rice for the relief effort.

III. Biotechnology Policy

According to GOI officials at the Ministry of Environment, National Agency for Drugs and Food Control, and Ministry of Agriculture with joint responsibility for issuing regulations putting Indonesia in compliance with the Cartagena Protocol on Biosafety (CPB), these regulations are not expected soon. The expected time frame has been pushed back several times, and is subject to change. Revised food labeling (only "packaged" food) regulation is expected similarly. The committee approach previously adopted with the three agencies above is now in stasis (for both biosafety and food safety) because the new committee, chaired by Ministry of Environment rather than Agriculture as in the past, has not been formed. Meanwhile, transnational corporations working in the arena of transgenic seed development complain quietly about a lack of leadership and direction that stymies their progress. At present, there are no imported or locally developed commercial transgenic seed varieties approved for planting in Indonesia. Approvals for planting and full commercialization are hindered because guidelines for food safety assessment have not yet been approved. Nevertheless, research activity at a relatively low level (e.g., second replication of containment trials) continues. Also continuing is GOI research and development at the agricultural institute in Bogor. Bt corn, Bt Cotton, RR Corn, and RR soybeans have to date passed all contained and field trials under the Biosafety assessment process.

To implement the GOI Regulation on Biosafety of Transgenic Products, expected by some optimists in a few months, the President must sign the Government Regulation on Establishing of The Committee of Biosafety on Transgenic Products. The new committee will have 15 members with variety transgenic stakeholders, such as: ministerial agencies, NGOs, universities, and professional associations. As soon as the Committee is established, it is expected to focus on the Guidelines for Food Safety.

Notwithstanding some confusion in the existing Indonesian regulatory framework for biotechnology, the general impact is relatively benign, especially with respect to imports of LMOs and processed food products. Indonesia imports hundreds of millions of dollars of transgenic products from the U.S. annually, significant quantities or which are for direct consumption. This trade is currently not regulated with respect to transgenic content. Although current regulation provides for labeling of food products containing more than 5 percent content derived from transgenetic processes, it is not enforced; a multitude of products over this threshold are currently on retail shelves with no labeling. The one sub-sector held captive by the regulatory system at present is that for local development, multiplication and use of transgenic seed. This, plus additional confusion in the IPR sector, are major impediments to increased investment in Indonesian biotechnology activities.

The opaque nature of current regulation combined with lack of clear goals and objectives for proposed new regulation (including questions regarding efficacy of implementation) make forecasting of likely outcomes for the Indonesian biotech sector problematic. The immediate risk with respect to US agricultural trade interests is that the hydra-headed GOI regulatory functions intrude negatively on trade. This could be especially damaging for the hundreds of millions of dollars of US soybean exports to Indonesia. Certain sections of the GOI are actively pursuing non-tariff trade barrier options to protect other sub-sectors of Indonesian agriculture. Should this approach become more general throughout the GOI, transgenetic products are potential targets.

IV. Marketing Issues

To date, Indonesian importers, retailers and consumers have not expressed serious concerns about importation, sale or use of transgenic products. For example, Indonesia imports hundreds of millions of dollars annually of soybeans, most with transgenic content. These soybeans are for direct human consumption in the form of tofu and tempe, and there is very little said in the local press or otherwise about the production process bringing this important protein source to Indonesians.

V. Capacity Building and Outreach

FAS Jakarta has actively recruited Cochran Fellows and participants for other USDA-sponsored events since 1998. Following is a list detailing participants from Indonesia.

Cochran Fellowships from Indonesia Related to Biotechnology:

- GMO Biotech 1998
  2 Cochran Fellows

- Regional Program for Decision Makers and Journalists 2000
  4 Cochran Fellows

- MSU - Food Safety Program 2000
  4 Cochran Fellows

- MSU - Food Safety Program 2001
  3 Cochran Fellows

- Biotechnology Training 2002
  3 Cochran Fellows

- MSU - Food Safety Program 2003
  2 Cochran Fellows

- MSU – Biotechnology Training 2003
  2 Cochran Fellows

- MSU – Biotechnology Training 2004
  1 Cochran Fellow

Additional Biotechnology "Capacity Building" Events Sponsored by USDA

- APEC BIOTECH SEMINAR – CHIANG RAI, THAILAND
  February 14-15, 2003
  2 Indonesian attendees

- FARMERS WORKSHOP IN AGRICULTURAL BIOTECHNOLOGY – MANILA, PHILIPPINES
  2-6 December 2003
  1 Indonesian attendee

- APEC HIGH LEVEL POLICY DIALOG ON AGRICULTURAL BIOTECH - SANTIAGO, CHILE
  February 29 – March 1, 2004
  3 Indonesian attendees

- APEC BIOTECH INVESTMENT SEMINAR - KUALA LUMPUR, MALAYSIA
  December 7-9, 2004
  2 Indonesian attendees

- 4TH APEC HIGH LEVEL POLICY DIALOGUE - SEOUL, KOREA
  March 1-3, 2005
  2 Indonesian attendees, 1 speaker

- BIOSAFETY POLICY OPTIONS IN APEC – MANILA, THE PHILIPPINES
  January 16-18, 2006
  1 Indonesian attendee, 1 speaker

- 5TH APEC HIGH LEVEL POLICY DIALOGUE – HANOI, VIETNAM
  February 25-27, 2006
  2 Indonesian attendees

- ASEAN – U.S. ROUNDTABLE ON AGRICULTURAL BIOTECHNOLOGY POLICY AND STRATEGY – BANGKOK, THAILAND
  April 4-5, 2006
  5 Indonesian attendees, 2 speakers

Additional Biotechnology "Capacity Building" Events Sponsored by FAS Jakarta

- 2nd Meeting of the ASEAN Task Force on The Harmonization of Regulations for Agricultural Products Derived from Biotechnology, 2000

- Round Table Discussion with GOI, industries, scientists, NGOs and ASEAN officials, September 21-22, 2000

- ASFARNET Workshop on Biotechnology Promotion and Exchange on Agricultural Technology, November 28 – December 1, 2004

Indonesia has significant capacity to promulgate but limited capability to enforce regulations with respect to food safety and biosafety of transgenic-origin products. What is lacking is the political desire to move forward. This means that the general issue of GOI regulation of such products will not advance expeditiously.

APPENDIX A

There are no transgenic seed products approved for release in Indonesia at this time.

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